

MEMORANDUM FOR THE RECORD

22 May 1952

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Retirement Credit and Salary Differentials for Service at Certain Foreign Posts

1. Additional credit for Foreign Service retirement purposes for service at unhealthful posts.

a. Section 853 of the Foreign Service Act of 1946 specifically provides for the establishment of a list of unhealthful posts, service at which should be credited as time and a half toward retirement. Under the terms of C.F.R., Title 5, Chapter III, Section 301.63, this function was delegated to the Secretary of State who from time to time makes new designations and old ones are cancelled. This designation of unhealthful posts which is set up under Section 301.61 is made solely for the purpose of retirement credit provisions of Section 853 of the Foreign Service Act.

b. Inquiry at the State Department discloses that the time and a half credit toward retirement is routinely given for Foreign Service employees for duty at unhealthful posts as designated. (Mr. Skora, Ext. 2820)

2. Salary differentials at "hardship" posts for Foreign Service personnel and for personnel of other civilian agencies.

a. Section 443 of the Foreign Service Act provides for salary differentials for Foreign Service employees with respect to service at posts at which (1) extraordinarily difficult living conditions or (2) excessive physical hardship prevails or (3) at which notably unhealthful conditions exist. This is referred to in C.F.R. 301.51 to 301.53.

b. C.F.R. 301.1 through 301.9 refer to foreign post differentials to be paid other civilian agencies pursuant to Independent Offices Appropriations Act, 1949, and provides the same criteria as set forth in 2a above for Foreign Service personnel. The regulations as to other civilian agencies are contained in C.F.R. 325.1 through 325.12, i.e., in Part 325 of the C.F.R. The foreign post differentials are to be established for the other Government departments by the Secretary of State and designated in C.F.R. 325.11.

c. C.F.R. 325.3 provides that the regulations in Part 325 (including designation of unhealthful posts previously referred

to) does not apply to the Foreign Service. However, Section 373 of the Foreign Service Manual provides that foreign service post differential list shall be the same for Foreign Service and other government agencies. On inquiry at the State Department, the advice was received that, as a matter of fact, the post differential list in use is the same; that the regulations used are the same, there being no practical reason for having two sets of regulations, but that this is an "oral procedure" pending appropriate formal action establishing a single set of regulations. (Mrs. Taylor, Ext. 3680)

3. In summary, it may be stated that the Secretary of State establishes a list of unhealthful posts for the sole purpose of applying the time and a half credit toward retirement for Foreign Service personnel. There is a separate list wherein a designation is made of so-called "hardship" posts for salary differential purposes which may include the unhealthful posts but which, in addition, will include those at which extraordinarily difficult living conditions or excessive physical hardship prevails. The designation of "hardship" posts applies uniformly to the Foreign Service and other civilian agencies.

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